


- 14.4 **Enforcement.** This Agreement, including all agreements, covenants, representations and warranties, shall be binding upon and inure to the benefit of, and may be enforced by the parties, and each of their agents, servants and personal representatives.
- 14.5 **Headings.** The section and subsection headings in this Agreement are for convenience of reference only and shall not modify, define, expand, or limit any of the terms or provisions hereof.
- 14.6 **Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. The execution and delivery by one party of a facsimile of this Agreement to the other party with a facsimile of such party's signature hereon shall be deemed a delivery of an originally executed agreement for all purposes, and be fully binding.
- 14.7 **Amendments.** No term or provision of this Agreement may be amended, changed, waived, discharged, or terminated orally, but only by an instrument in writing signed by the party against which the enforcement of the change, waiver, discharge, or termination is sought.
- 14.8 **No Waiver.** No delay or omission in the exercise or enforcement of any right or remedy hereunder by either party shall be construed as a waiver of such right or remedy. All remedies, rights, undertakings, obligations, and agreements contained herein shall be cumulative and not mutually exclusive, and in addition to all other rights and remedies which either party possesses at law or in equity.
- 14.9 **No Assignments.** Neither party may assign its rights or obligations under this Agreement without the prior written permission of the other.
- 14.10 **Governing Law.** This agreement has been negotiated and delivered in the State of New York and shall in all respects be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance, without giving effect to its conflict of laws provisions.
- 14.11 **Jurisdiction and Venue.** Exclusive jurisdiction and venue over any and all disputes between the parties arising under this Agreement shall be in, and for such purpose each party hereby submits to the jurisdiction of, the state and federal courts serving the State and County of New York.

\*\*\*\*Signature Page Follows\*\*\*\*

IN WITNESS WHEREOF, the Services Provider and each Operator have each caused this Aircraft Pilot and Management Services Agreement to be duly executed as of the Effective Date.

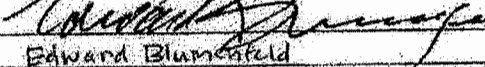
SERVICES PROVIDER:

TALON AIR INC.

By:   
Print: Adam Katz  
Title: President

OPERATOR:

BDG MLJF, Inc.

By:   
Print: Edward Blumenthal  
Title: President

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC

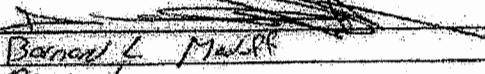
By:   
Print: Bernard L. Madoff  
Title: Principal

EXHIBIT A  
Estimate Worksheet

**AVERAGE HOURLY FIXED OPERATING COSTS**

This worksheet is intended for use in estimating, on an average-per-flight hour basis, the total amount of all Fixed Expenses for all operations of the Aircraft projected to be flown during a six month period, EXCLUDING FUEL and other Variable Expenses and Incidental Expenses.

Aircraft: N18BM

This Average Hourly Fixed Operating Cost Estimate is effective for the following the six month:

Beginning Date: \_\_\_\_\_ Ending Date: \_\_\_\_\_

Projected Fixed and Variable Operating Costs

Total projected Fixed Expenses during period:

Divided by total projected Flight Hours during period:  
(Each Operator and all other users)

Total Estimated Average Hourly Fixed Operating Costs:

AIRCRAFT PILOT AND MANAGEMENT SERVICES AGREEMENT

EXHIBIT B

Fixed Expenses

Employee Salaries (Pilot & CoPilot)		\$185,000.00
Employee Benefits (Pilot & CoPilot: 22.0%)	22.00% of Salaries	\$40,700.00
Employee Training (Pilot & CoPilot)		\$42,000.00
Insurance - Hull	0.20% of purchase price	\$48,000.00
Insurance - Liability	\$150,000,000 limit	\$60,700.00
Navigation Chart Services		\$10,000.00
Weather/Flight Planning Service		\$5,000.00
Other Subscription Services		\$3,000.00
Aircraft Cleaning*		\$25,000.00
Aircraft Refurbishment & Improvements		\$12,500.00

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Total Fixed Expenses

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(\$431,900.00)

AIRCRAFT PILOT AND MANAGEMENT SERVICES AGREEMENT

EXHIBIT C

Variable Expenses Per Hour			
Fuel**	\$3.60 per gallon	332.00 gal/hour	\$1,195.20
Parts - Airframe, Avionics, Consumables (Embraer Program)			\$400.00
APU (calculated as .3 hours for every hour of flight)			\$30.00
Engine Reserves (covers both engines)			\$307.00
Flight Attendant	\$600.00 per day	30 days/yr	\$30.00
Additional Pilot (After 22 days per month utilization)	\$1,000.00 per day	30 days/yr	\$30.00
Miscellaneous Hourly			\$2.00
Total Variable Expenses			(\$1,994.20)

EXHIBIT D

Historical Aircraft and Engine records to include:

1. Original delivery documents from the Aircraft, APU and Engine manufacturers
2. Copies of any Regulatory Correspondence concerning the Aircraft
3. Burn certifications for any interior materials that have been changed since Aircraft delivery to SERVICES PROVIDER
4. Exterior paint specifications if the Aircraft is not in the original as delivered livery
5. Map of all installed repairs and corresponding repair documents with Structural Repair Manual (SRM) references and FAA Designated Engineering Representative (DER) approval for repairs beyond the scope of the SRM if applicable
6. Updated weight & balance information including accumulated weight change record for the life of the aircraft
7. Master FAA Airframe, Engine, APU and Appliance Airworthiness Directive (AD) status report
8. Component parts tags for components listed in the current revision of the Embraer Maintenance Planning Document (MPD) hard time component section for component traceability that have been replaced since delivery to SERVICES PROVIDER are required
9. All tags for On-Condition (OC) and Condition Monitored (CM) components to verify history for all replaced parts on the Aircraft
10. Engine life limited parts status reports with full traceability to birth
11. Engine Condition monitoring reports
12. Current list of Engine accessories installed with component parts tags for each item if replaced by SERVICES PROVIDER
13. APU life limited parts status reports with full traceability to birth
14. Current list of APU accessories installed with component parts tags for each item if replaced by SERVICES PROVIDER
15. Landing gear component status report with inventory of life limited, OC and CM landing gear components if replaced by SERVICES PROVIDER. Life limited parts must have full traceability back to birth.

**AMENDMENT TO AIRCRAFT PILOT  
AND MANAGEMENT SERVICES AGREEMENT**

THIS AMENDMENT TO AIRCRAFT PILOT AND MANAGEMENT SERVICES AGREEMENT is made as of this 9<sup>th</sup> day of May, 2008, between BDG MLJF, Inc., a New York corporation ("BDG"), Bernard L. Madoff Investment Securities LLC, a New York limited liability company ("Madoff") (BDG and Madoff are sometimes referred to herein individually and/or collectively as "Operator," as the context shall require), and TALON AIR INC., a Delaware corporation (the "Services Provider").

WHEREAS, Operator and Services Provider desire to modify and amend Section 13 of that certain Aircraft Pilot and Services Management Agreement dated as of March 3, 2008 (hereinafter referred to as the "Agreement"), as hereinafter set forth:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties hereto mutually covenant and agree as follows:

1. Recitals. The foregoing recitals are hereby acknowledged as true and correct and are incorporated herein by reference as if set forth fully herein.

2. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth in the Agreement.

3. Minimum Daily Hours. The following shall be added to Section 13 of the Agreement:

**Minimum Daily Hours.** There shall be a minimum charge of two (2) flight hours per day on any day that an Exchange Aircraft is chartered by Operator (including repositioning). Similarly, there shall be a minimum charge of two (2) flight hours per day on any day that the Aircraft is utilized by Services Provider pursuant to the terms of this Section 13 (including repositioning).

4. No Other Changes. Except as expressly set forth herein, all of the other terms, covenants, conditions and provisions of the Agreement shall remain in full force and effect with no modification thereto by this Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Aircraft Pilot and Management Services Agreement as of the date and year first above written.

SERVICES PROVIDER:

TALON AIR INC., a Delaware corporation

By: [Signature]  
Name: Sheer Shulman  
Title: Vice President

OPERATOR:

<sup>HLSF</sup>  
BDG MPE, INC., a New York corporation

By: [Signature]  
Name: Edward Blumenthal  
Title: President

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC, a New York limited  
liability company

By: [Signature]  
Name: Bernard L. Madoff  
Title: Manager